

Message Text

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ACTION OES-06

INFO OCT-01 NEA-10 IO-13 ISO-00 ERDA-05 ERDE-00 ACDA-07

AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 EB-07

FEAE-00 FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05

OMB-01 PM-04 USIA-06 SAM-01 SP-02 SS-15 STR-04

TRSE-00 NRC-05 /117 W

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P R 301245Z NOV 76

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC PRIORITY 227

INFO USMISSION IAEA VIENNA

C O N F I D E N T I A L TEHRAN 11930

DEPT FOR M. RATZER/OES; ERDS/N. SIEVERING/INTERNATIONAL

OFFICE: ACDA/C. VAN DOREN

E.O. 11652: GDS

TAGS: ENRG TECH TGEN IR

SUBJ: NOVEMBER 27 MEETING BETWEEN DR. ETEMAD (AEOI)

AND DR. JOHN PALFREY (ACDA CONSULTANT)

REF MOSCOW 18337

1. ON NOVEMBER 27 DR. JOHN PALFREY (FORMER AEC COMMISSIONER), ACCOMPANIED BY EMBASSY SCIENCE ATTACHE, MET WITH DR. AKBAR ETEMAD, CHAIRMAN OF IRAN'S ATOMIC ENERGY ORGANIZATION. PALFREY, EMPHASIZING HE WAS SPEAKING AS A PRIVATE CITIZEN, ASKED WHAT IRAN'S REACTION WAS TO PRESIDENT FORD'S RECENT POLICY STATEMENT ON NUCLEAR ENERGY. ETEMAD SAID IT WAS THE FIRST COHERENT USG STATEMENT ON THE SUBJECT, ADDING THAT EVEN THOUGH IRAN DID NOT AGREE WITH IT IN EVERY DETAIL, AT LEAST IRAN NOW UNDERSTANDS THE US POSITION. CONCERNING THE PROPOSED US/IRAN BILATERAL AGREEMENT FOR COOPERATION IN PEACEFUL USES OF ATOMIC ENERGY, ETEMAD SAID THAT HE NOW FEELS THAT REALISTI-
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CALLY THE SIGNING WILL NOT HAPPEN MUCH BEFORE NEXT AUTUMN,

EVEN THOUGH HE EARLIER HOPED IT WOULD BE SOONER. HE SAID HE FEELS THE CARTER ADMINISTRATION WILL PROBABLY NEED SEVERAL MONTHS TO STUDY AND PREPARE FOR AN AGREEMENT. HE ADDED, HOWEVER, THAT HE WOULD GLADLY GO TO WASHINGTON TO MEET WITH KEY OFFICIALS IN THE NEW ADMINISTRATION IF AND WHEN HE IS INVITED.

2. TURNING TO THE FUTURE, ETEMAD EMPHASIZED IRAN'S NEED TO ASSURE A LONG-TERM (AT LEAST 20 YEARS) SUPPLY OF ENRICHED URANIUM FUEL AT STABLE PRICES. THIS WOULD REQUIRE SOME FORM OF SUPPLIERS GUARANTEE NOT PRESENTLY AVAILABLE. ETEMAD SAID THAT HE THINKS THAT THE CONCEPT OF GOVERNMENTS MANAGING A SUPPLIERS COMMITMENT FOR AN AMOUNT OF FUEL TO THE IAEA, AS AN INTERNATIONAL FUEL SUPPLIER SERVICE, HAS MERIT BUT PROBABLY THIS SHOULD COME AT A LATER DATE.

3. CONCERNING THE LONDON NUCLEAR SUPPLIERS GROUP, ETEMAD SAID THAT A CONTINUATION OF SUPPLIER NATIONS "CALLING THE SHOTS" WILL NOT WORK IN THE LONG RUN. HE PREDICTED THAT IF WITHIN TWO YEARS THIS SITUATION IS NOT RECTIFIED, THEN THE WHOLE NUCLEAR SUPPLY SITUATION WILL BE IN A "MESS." HE SAID THAT RECEIVING COUNTRIES MUST PARTICIPATE IN SUPPLIERS CONFERENCES SO THAT THERE IS A DIALOGUE ESTABLISHED BETWEEN SUPPLIERS AND CONSUMERS. ETEMAD SEEMED INTERESTED IN THE POSSIBILITY PROPOSED BY PALFREY OF IRAN TAKING THE INITIATIVE, PERHAPS IN JUNE 1977, IN THE IAEA TO SUGGEST A MEETING OF SUPPLIERS AND THIRD-WORLD COUNTRIES WITH SIGNIFICANT NUCLEAR POWER PROGRAMS. ETEMAD WOULD FIRST WANT AN INDICATION OF SUPPLIERS SUPPOT, HOWEVER, PARTICULARLY FROM THE US. ETEMAD WOULD WANT ASSURANCE ALSO THAT IF THIS MEETING WERE CONVENED THERE WOULD BE A GENUINE DIALOGUE AMONG EQUALS LEADING TO SUPPLIER-CONSUMER AGREEMENT ON PRINCIPLES. HOPEFULLY, THIS MEETING WOULD ALSO LEAD TO THE DEVELOPMENT OF AN AGENDA FOR FURTHER DISCUSSION AND ACTION.

4. REGARDING IRAN'S INVESTMENT IN EURODIF, ETEMAD EXPRESSED DISSATISFACTION ON TWO COUNTS. FIRST, HE SAID THAT PROBABLY ALL IRAN WOULD GET OUT OF IT IS ACCESS TO A "BLACK BOX." (COMMENT: BY "BLACK BOX" ETEMAD MEANT CONFIDENTIAL

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THAT THE FRENCH WOULD MERELY CONVERT NATURAL URANIUM TO ENRICHED URANIUM VIA A DEVICE BASED ON THE CENTRIFUGE PROCESS; IRAN WOULD BE SUPPLIED THE ENRICHED URANIUM BUT NONE OF THE TECHNOLOGY ENGAGED IN THE ISOTOPE SEPARATION PROCESS.) SECONDLY, HE DISAPPROVED OF THE FRENCH RESERVING THE PRIVILEGE OF USING EURODIF PRODUCTION FOR MILITARY PURPOSES. IN HIS VIEW, THIS IS AN EXAMPLE OF THE DOUBLE STANDARD NUCLEAR WEAPONS STATES FOLLOW. CON-

TRASTING NPT COUNTRIES WITH NON-NPT COUNTRIES, ETEMAD OFFERED THE OPINION THAT, AT LEAST IN THE PAST TWO YEARS, THERE IS NO EXAMPLE OF AN NPT COUNTRY BENEFITING MORE THAN A NON-NPT COUNTRY. HE CITED THE EXAMPLE OF BRAZIL, SAYING "I DO NOT BUY THE GERMAN ARGUMENT IN BRAZIL."

5. CONCERNING BILATERAL US-IRAN NUCLEAR RELATIONS, ETEMAD EXPRESSED CONCERN OVER THE NUCLEAR REGULATORY COMMISSION'S POTENTIAL FOR VETO OF EXPORT LICENSES. HE CONTRASTED NRC'S POWER IN THIS AREA WITH IRAN'S AGREEMENT WITH THE FRG WHERE NO SUCH PROVISION EXISTS. CONCERNING THE IDEA OF RETURNING SPENT NUCLEAR FUEL TO SUPPLIERS FOR AN EQUIVALENT VALUE OF ENRICHED URANIUM, HE THOUGHT THIS ATTRACTIVE BUT DOUBTED THAT ALL SUPPLIERS WOULD ACCEPT IT SIMULTANEOUSLY. RE MULTINATIONAL FUEL REPROCESSING CENTERS, ETEMAD SAID THAT HE HAD NOTHING AGAINST SUCH A CONCEPT BUT HE WONDERED WHEN AND WHERE SUCH A FACILITY WOULD BE ESTABLISHED IN THE MIDDLE EAST. HE SAID THAT SECRETARY KISSINGER HAD EXPRESSED RESERVATIONS ABOUT THIS POSSIBILITY. ETEMAD ALSO SAID THAT IF IRAN WISHED TO DO SO ON ITS OWN, IT COULD BUILD A REPROCESSING PLANT WITHIN THE NEXT SIX TO SEVEN YEARS IF SUFFICIENT FINANCIAL RESOURCES AND MANPOWER WERE MADE AVAILABLE. HE ASSURED PALFREY, HOWEVER, THAT IRAN HAD NO PLANS TO BUILD A REPROCESSING PLANT. HE EMPHASIZED THE GOI'S STRONG SUPPORT FOR THE NPT AND ITS DESIRE STRICTLY TO ADHERE TO IT.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSULTANTS, VISITS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 NOV 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976TEHRAN11930
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760443-0630
From: TEHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976112/aaaaabky.tel
Line Count: 143
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION OES
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 MOSCOW 18337
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 12 NOV 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 NOV 2003 by GarlanWA>; APPROVED <16 AUG 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NOVEMBER 27 MEETING BETWEEN DR. ETEMAD (AEOI) AND DR. JOHN PALFREY (ACDA CONSULTANT)
TAGS: ENRG, TECH, TGEN, IR, (PALFREY, JOHN)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006